

Hovnanian Enterprises, Inc.
Stipulated Penalty Table
Based on National Compliance Summary Report for 2011

Applicable Stipulated Penalty Provision from Consent Decree	Reported Violations	Stipulated Penalty Amount from Consent Decree					Calculated Stipulated Penalty Amount
1. Discharge of pollutants from a Site to a water of the U.S. prior to obtaining coverage. Para. 29.a.	17	\$2,500 per day of such discharges.					\$42,500 (\$35,000 payable to EPA and \$7,500 payable to State Plaintiff Virginia ((for six violations))).
2. Failure to perform (including completion of all Responsive Actions), or, if performed, a material failure to document, a Pre-Construction Inspection and Review as required by Paragraph 13 (Pre-Construction Inspection and Review). Para. 29.b.	24	\$2,500 per site					\$60,000
3. Failure to perform, or, if performed, a material failure to document, a Site Inspection as required by Paragraph 14 (Inspections). Para. 29.c.	366 missed, 16,000 carried out	Percentage of Inspections Missed/Undocumented Per National Reporting Period	1 & 2 QRP	3 & 4 QRP	5 th - 8 th QRP	9 th - 12 th QRP	0
		0.01 to 5%	0	0	0	0	
		5.01 to 8%	\$1,000	\$2,500	\$10,000	\$15,000	
		8.01 to 12%	\$2,000	\$6,750	\$25,000	\$30,000	
		12.01 to 20%	\$4,000	\$12,500	\$50,000	\$100,000	
		20.01 to 25%	\$8,000	\$25,000	\$100,000	\$200,000	
		>25%	\$16,000	\$62,500	\$250,000	\$500,000	

4. Failure to perform or, if performed, a material failure to document a Quarterly Compliance Inspection or Review as required by Paragraph 16 (Site Storm Water Compliance Review and Oversight). Para. 29.d.	22 QCI of 1,138 98 QCR of 1,138 Total 120 missed 114 between 0.01 and 5% 6 between 5 and 10%	<div> <div>Percentage of Quarterly Inspections or Reviews Undocumented Per National Reporting Period</div> <div>Stipulated Penalty</div> </div> For each undocumented Inspection or review from 0.01 to 5% of required inspections or reviews: \$100 For each additional undocumented Inspection or review from 5.01 to 10% of required inspections or reviews: \$200 For each additional undocumented Inspection or review > 10% of required inspections or reviews: \$300	\$11,400 <u>\$1,200</u> Total - \$12,600
5. Failure to prepare a Division-Wide Compliance Summary Report as required by Paragraph 17 (Division-Wide Compliance Summary Report). Para. 29.e.	0	<div> <div>Days</div> <div>Stipulated Penalty</div> </div> 1st through 7th day \$250 per Report 8th through 30th day \$500 per Report 31st through 90th day \$5,000 per Report	0
6. Failure to have trained and certified Site Storm Water Compliance Representatives as required by Paragraph 9.a at the time of an inspection required by Paragraph 16 (Site Stormwater Review and Oversight). Para. 29.f.	5	\$ 100 per person	\$500
Stipulated Penalty due to Commonwealth of Virginia Stipulated Penalty due to United States Total Stipulated Penalty Demand for Reported Violations			\$7,500 <u>\$108,100</u> \$115,600